

# The Japan Rubber Futures Weekly Report:

## 15 Nov 2021 – 19 Nov 2021

**Note:** Japan Q3 GDP was lower at -0.8% Q/Q while Y/Y -3.0%, Sept Industrial Production M/M at -5.4% was in-line

### Rubber Futures Report:

Rubber Futures prices closed the week higher on renewed speculative buying, year-end demand before the CNY holidays delivery, a sharp drop on SHFE warehouse stocks and an easing tension between the US and China. Chinese Vehicle sales at the end of Oct also improved another 265,702 units. The sharp drop on SHFE warehouse official stocks of 127,802 tonnes were mainly due to an expiration large lot which had a one-year expiration. Prices started the week in tight narrow trading range and volume were light. OSE April futures closed +1.2% while prices on SHFE and INE were up 3.4%. SICOM rubber futures +1.7% on renewed buying with heavy volume on Friday. Physical market remains tight and continued to trade at premiums by consumers and end-users. On global news, the virtual Summit between President Biden and President Xi had brought some calm and stability and both Presidents agreed to work closely for further co-operations. Global stocks closed mixed on inflationary fear & renewed emergence of delta variant in some countries like in Germany and China. Japan will be closed on Tues while US will be closed on Thurs for Thanksgiving.

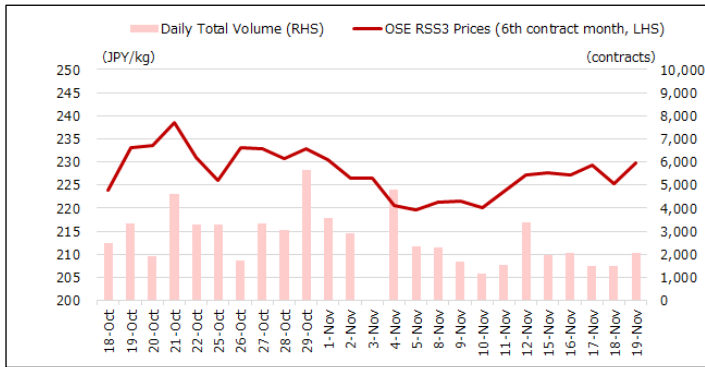
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Nov 21	217.7	+5.2	SCR/RSS Jan 22	14,770	+495	Dec 21	175.8	+2.1	RSS3 Mar 22	64.00	-0.8
Dec 21	220.0	+4.3	SCR/RSS May22	15,030	+545	Jan 22	175.7	+2.7	RSS3 Apr 22	64.65	-1.1
Jan 22	222.7	+4.7	<b>Total Vol.</b>	<b>1,936,845</b>	<b>+331,277</b>	Feb 22	176.2	+2.9	JRF Mar 22	227.8	+6.0
Feb 22	224.3	+3.7	<b>Total OI</b>	<b>300,015</b>	<b>+33,265</b>	Mar 22	176.6	+2.7	JRF Apr 22	231.0	+5.4
Mar 22	226.0	+3.2	INE TSR Jan 22	11,665	+380	Apr 22	177.2	+2.6	<b>ICEX</b>	<b>Last (INR)</b>	<b>Net</b>
Apr 22	229.8	+2.7	INE TSR Feb 22	11,775	+405	May 22	177.9	+2.7	RSS4 Dec 21	17,790	+65
<b>Total Vol.</b>	<b>9,062</b>	<b>-1,030</b>	<b>Total Vol.</b>	<b>146,962</b>	<b>+8,778</b>	<b>Total Vol.</b>	<b>36,090</b>	<b>+7,924</b>	<b>MCX</b>	<b>Last (INR)</b>	<b>Net</b>
<b>Total OI</b>	<b>8,820</b>	<b>-282</b>	<b>Total OI</b>	<b>45,523</b>	<b>+2,026</b>	<b>Total OI</b>	<b>42,428</b>	<b>+3,047</b>	RSS4 Nov 21	18,305	+290

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 10 Nov)	9,867	-110
Shanghai SHFE Rubber Stocks (ton, 19 Nov)	179,523	-127,802
Shanghai INE Rubber Stocks (ton, 19 Nov)	50,586	+674
China Vehicle Total Sales (unit, 31 Oct)	2,332,801	+265,702
China Passenger Car Sales (unit, 31 Oct)	2,006,816	+256,299
China Commercial Car Sales (unit, 31 Oct)	325,985	+9,403
US Unemployment Rate (% Oct)	4.6	-0.2
US Non-Farm Payroll (Oct)	531,000	+219,000
Japan Unemployment Rate (% Sep)	2.8	0.0
Japan PMI (Sep)	53.7	+1.4
Japan Tankan Large Manufacturing (3Q)	+18	+4
China PMI (Sep)	49.6	-0.5
China GDP 3Q (%)	+4.9	-3.0

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	113.99	+0.1
EUR/USD	1.1290	-0.0155
GBP/USD	1.3451	+0.0037
USD/CHF	0.9278	+0.0063
AUD/USD	0.7235	+0.0003
USD/CNY	6.3871	+0.0074
USD/INR	74.2375	-0.205
USD/SGD	1.3613	+0.0087
USD/MYR	4.1830	+0.0175
USD/THB	32.797	+0.226
USD/IDR	14,232	+13
USD/VND	22,650	+5

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	29,745.87	+135.90
TOPIX Japan	2,044.53	+3.93
Dow Jones US	35,601.98	-498.33
S&P 500 US	4,697.96	+15.11
Nasdaq US	16,057.44	+196.48
CSI 300 China	4,890.06	+1.68
Shanghai China	3,560.37	+21.27
HSI Hong Kong	25,049.97	-278.00
STI Singapore	3,232.34	+3.89
KLCI Malaysia	1,525.54	-5.68
SET Thailand	1,645.06	+11.12
IDX Indonesia	6,720.26	+69.21
VSE Vietnam	1,452.35	-21.02

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 21	29,780	+180
JPX TOPIX Dec 21	2,048.0	+9.5
JPX NK 400 Dec 21	18,475	+90
JPX TSE REIT Dec 21	2,053.5	-2.0
JPX NK 225 VI Dec 21	18.35	-0.95
JPX JGB 10 Year Dec 21	151.62	-0.03
JPX Gold 1 Kg Oct 22	6,831	+14
JPX Mini Gold 100g Oct 22	6,831	+14
JPX Gold Rolling Spot	6,835	+10
JPX Silver Oct 22	91.2	-1.3
JPX Platinum Oct 22	3,888	-91
JPX Palladium Oct 22	7,790	+390
JPX Corn Nov 22	38,430	+370

Source: JPX

### Rubber Trading – Technical Analysis OSE April Rubber futures:

OSE April futures continued to trade higher from follow through buying the previous week. The market was overall quiet and volume thin but saw a rally before the weekend. The 50-day and 100-day moving averages have cut and signaled further upside moment with prices likely to rally further. Support remains solidly at 219.0 and 210.0 and resistance at 240.0. A close above 240.0 signal a very bullish market. Currently RSI is 58.2% and plenty of room on the upside. Buying dips is suggested.



Source: Bloomberg

### Rubber Trading – INE Jan/SICOM Jan Futures Arbitrage Analysis:

INE Jan settled at 11,665 and SICOM Jan closed at 175.7, the spread between them closed at +69.0. Converting INE Jan 11,665 to USD is 1,826 (11,665/6.3871). The INE/SICOM spread is +69 (1,826-1,757). The arbitrageur who wanted to long at +35 saw the spread widened to 69 which exceeded his target of 55-60. If the arbitrageur was able to buy at 35, he should have taken profit at around +60 or higher. Should the arbitrageur miss the buy at 35, then he may have missed the market.



Source: Bloomberg

## Contact us

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